

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

ROTHSCHILD CONNECTED DEVICES
INNOVATIONS, LLC

Plaintiff,

v.

GUARDIAN PROTECTION SERVICES, INC.

ADS SECURITY, LP

Defendants.

§
§
§
§
§
§
§
§
§
§
§
§

2:15-cv-01431-JRG-RSP

(Lead Case)

2:15-CV-01463-JRG-RSP

**ROTHSCHILD CONNECTED DEVICES INNOVATIONS, LLC’S RESPONSE TO ADS
SECURITY, LP’S MOTION FOR ORDER TO SHOW CAUSE**

Rothschild Connected Devices Innovations, LLC (“RCDI”), by and through its undersigned counsel, hereby files this response to ADS Security, LP’s (“ADS”) Motion for Order to Show Cause [DE 107] (the “ADS’s Motion”) as follows:

ADS’S REQUEST THAT RCDI STATE CAUSE

1. RCDI admits that, as of today, is has not paid the fee award granted by this Court in its Memorandum Order [DE 104] (“Fee Order”).
2. As indicated in ADS’s Motion and verified by RCDI’s accountant, RCDI only has *de minimus* funds in its bank account. (See ADS’s Motion at ¶6; Exhibit A-1 Correspondence from Michael Wassermann, CPA).
3. The only other assets of RCDI are three patents and one patent application currently assigned to RCDI. Exhibit A – Declaration of RCDI at ¶2).
4. At this time, RCDI does not have the ability to pay the fee award to ADS; however, RCDI has reason to believe it will be able to do so in the future. (See Exhibit A at ¶3).

5. Currently, RCDI has an on-going lawsuit asserting patent infringement against the Coca-Cola Company pending in the Northern District of Georgia, *RCDI v. Coca Cola Company*, Case No. 1:16-cv-01241-TWT (NDGA), that is being litigated on a contingency fee agreement by Carey Rodriguez Milian Gonya, LLP. (Exhibit A at ¶4-5.
6. Any damages or licensing royalty received by RCDI in the aforementioned matter will be used to pay ADS. (Exhibit A at ¶6).
7. RCDI maintains a good faith belief that it will be able to pay ADS the full amount of the fee award. (Exhibit A at ¶6).

ADS'S REQUEST THAT MR. ROTHSCHILD BE DIRECTED TO RESPOND

8. Mr. Rothschild is not a party to this action, nor has he been served with any documents related to this action. (Exhibit B – Declaration of Leigh Rothschild at ¶2).
9. Since Mr. Rothschild has is not a party to this action and has not been served with any documents related to this action, Mr. Rothschild has not personally retained Texas counsel for this action. (Exhibit B at ¶2-4).
10. RCDI has a good faith belief that RCDI will be able to pay ADS the full amount of the fee award. (Exhibit A at ¶6).
11. At this time, RCDI does not believe the issue of piercing the corporate veil is ripe as RCDI intends to pay the fee award to ADS.
12. Additionally, in the Court's Fee Order, the Court held that "the record is not sufficient at this point to reach through the corporate entity to the sole proprietor." (Fee Order at 3). In ADS's Motion, ADS fails to provide any additional evidence that supports the piercing of the corporate veil and it merely improperly attempts to shift the burden of proof regarding piercing of the corporate veil to RCDI.

Wherefore, RCDI respectfully request that this Court enter an order denying ADS's Motion to direct Mr. Rothschild to show cause why he should not be held jointly and severally liable and granting such other and further relief that this Court deems just and proper.

Dated: July 11, 2018

Respectfully submitted,

/s/ Jay Johnson

JAY JOHNSON

State Bar No. 24067322

BRAD KIZZIA

State Bar No. 11547550

KIZZIA JOHNSON PLLC

1910 Pacific Ave., Suite 13000

Dallas, TX 75201

(214) 451-0164

Fax: (214) 451-0165

jay@kjpllc.com

brad@kjpllc.com

ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

The undersigned certifies that all counsel of record who have consented to electronic service are being served with a copy of this document via cm/ecf on July 11, 2018.

/s/ Jay Johnson

Jay Johnson